

Existing law (R.S. 11:1006), the "50% rule" provides for reemployment of retirees of the La. School Employees' Retirement System (LSERS). Provides that if the earnings of the reemployed retiree in any fiscal year are in excess of 50% of average compensation, an amount equal to the amount of the earnings in excess of 50% of average compensation for the fiscal year shall be repaid to the system by the retiree, either through direct reimbursement to the system or by suspension of benefits.

Existing law (R.S. 11:1006(D)) provides that, as an alternative to reemployment under the "50% rule," an employer may choose to reemploy a retired bus driver in a full-time position as a bus driver pursuant to other provisions of existing law (R.S. 11:1007, the 100% rule).

Existing law (R.S. 11:1007) provides that an employer may elect to rehire a retired bus driver pursuant to the "100% rule." Provides, at the option of the employer, any bus driver who returns to full-time employment as a bus driver pursuant to the "100% rule", within 12 months of retirement, shall have his benefit suspended for the duration of such active service or the lapse of 12 months after retirement, whichever occurs first. After such period, such bus driver shall be able to receive his full retirement benefit and his full salary.

Prior law (R.S. 11:1007(F)) provided that any employer who elected to reemploy a bus driver pursuant to the "100% rule" would pay to the system all of the actuarial costs to the system of reemployment of such bus driver.

New law requires that each school district pay the aggregate actuarial cost for all bus drivers reemployed by that employer during that year in excess of the cost that would have been incurred had the employer elected to reemploy the driver or drivers pursuant to the "50% rule" of existing law. Further provides that such cost, if any, shall be included in the system's actuarial report and submitted to the Public Retirement Systems' Actuarial Committee (PRSAC) for approval. Upon approval by PRSAC, the participating employers shall be notified of any cost and shall pay such cost not later than June 30 following PRSAC's approval.

New law provides that any employer who chooses to reemploy a retired bus driver pursuant to the "100% rule" shall submit to the system by September 1 of each school year a declaration, signed by the employer and employee, stating the employer's intent to reemploy such bus driver under the "100% rule." If no such declaration is received by the system, the reemployed bus driver shall be considered rehired under the "50% rule."

New law requires the superintendent of such employer school to certify to the Board of Elementary and Secondary Education that a shortage of qualified bus drivers exists in the school district of such employer. The legislative auditor may audit or investigate as to whether such shortage exists.

Effective July 1, 2009.

(Amends R.S. 11:1007(C) and (F))